



## CITY OF MORGAN HILL

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037-4128

### CITY OF MORGAN HILL BELOW MARKET RATE HOUSING PROGRAM INFORMATION SHEET 2002

#### WHO IS ELIGIBLE?

First time homebuyers, who live in Santa Clara County or work in Morgan Hill, and meet the gross annual income limits listed below. Current Morgan Hill residents who have been living in Morgan Hill for a year or more will have first priority.

Number of Persons in Household					
Income Level	1	2	3	4	5
Lower	<b>FOR THIS INCOME LEVEL, THE INTEREST LIST IS CLOSED UNTIL FURTHER NOTICE</b>				
Median	\$51,951 - \$67,200	\$59,401 - \$76,800	\$66,801 - \$86,400	\$74,251 - \$96,000	\$80,200 - \$103,700
Moderate	\$67,201 - \$80,650	\$76,801 - \$92,150	\$86,400 - \$103,700	\$96,001 - \$115,200	\$103,701 - \$124,400

The Below Market Rate Program includes NEW HOMES in NEW SUBDIVISIONS, where in most instances the market rate homes begin at over \$500,000. The BMR homes range in price from \$132,540 to \$320,110 for 2, 3, and 4 bedroom homes to serve low to moderate income households. Also, as resales occur, these will be offered to the eligible applicants.

#### WHAT IS A FIRST TIME HOMEBUYER?

The BMR Program defines the following as first time homebuyers:

- 1) Those who haven't owned a home in the last three years;
- 2) Newly single head of households with children who may have been homeowners within the last three years but meet the income eligibility requirements;
- 3) Those who currently work in Morgan Hill, have sold their home in another County or State within the last three years and are current renters and meet the income eligibility requirements.

#### HOW DO I FINANCE MY PURCHASE?

Although the City does not provide direct mortgage assistance, the City's Housing Division provides information on programs available to first-time homebuyers; programs like the Mortgage Credit Certificate.

#### CAN I SELL MY BMR HOME AT ANY TIME IN THE FUTURE?

Absolutely. Each BMR home is governed by a Resale Agreement which requires that the home be owner-occupied, gives the City the first option to buy your home and restricts the resale of the home for 30 years.

Here's how it works. . .the resale formula is designed to give you a fair rate of return on your investment. For example, if you bought a BMR home for \$104,360 in 1990, your resale price today would be \$171,200. Coupled with the reduction in the mortgage since the time of purchase, you would gain a **profit of over \$65,000**.

#### DOES THE CITY ALLOW CO-SIGNERS?

The City allows co-signers for **loan qualifying only**, not as co-buyers, unless all the buyers are qualifying under the City's maximum allowable income limits.

## **HOW CAN I PARTICIPATE?**

The City of Morgan Hill's *Below Market Rate (BMR) Home Ownership Program* will be processing program applications as follows:

### **Morgan Hill Residents (First Priority "A"):**

Eligible program participants will complete an Interest List Application and will be added to the first priority interest list on the day the Interest List Application is received. A letter will be sent out to you to confirm receipt of your application.

Next will be a Pre-Screening Application at **no charge**; this process will confirm your continued interest and eligibility by verifying income and residency. Our office will contact you for the pre-screening, approximately 24 months prior to the offering of a home.

Approximately one year prior to the offering of a home, you will complete a formal application. Applicants will be asked to purchase a BMR application, currently a cost of \$20 (non-refundable), and attend an information session. This is the phase where you will be asked to provide **all** the documentation required to purchase a BMR home. This information includes, but is not limited to residency and income verification, three years complete federal tax returns, loan pre-qualification letter, proof of the downpayment, closing costs, etc.

During the waiting period, applicants are recommended to continue saving funds for the downpayment, special assessments, closing costs, and clear any discrepancies or negative listings on the credit report.

### **Work in Morgan Hill (Priority "B"):**

Eligible program participants who work in Morgan Hill will complete an Interest List Application and will be added to the second priority interest list on the day the Interest List Application is received. Names on this list will be purged on third anniversary.

### **Santa Clara County Residents (Priority "C"):**

Eligible program participants who reside in a city within Santa Clara County will be added to the third priority interest list on the day the Interest List Application is received. Names on this list will be purged on the third anniversary.

Should you have any additional questions or concerns, please feel free to contact the Housing Services office at (408) 776-7373 or by e-mail at [bahs@ch.morgan-hill.ca.gov](mailto:bahs@ch.morgan-hill.ca.gov)

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## BMR PURCHASE INTEREST LIST

For office use only

Date Submitted: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Street Address

\_\_\_\_\_  
City Zip Code

Time: \_\_\_\_\_

Check box for Household size: ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8

Gross Annual Household Income: \$\_\_\_\_\_

Check box/es for Number of Bedrooms desired : ☐1 ☐2 ☐3 ☐4  
(May check more than one box)

For placement in the "A" Priority:

☐ Check box if Morgan Hill Resident, a resident since: \_\_\_\_\_

For placement in the "B" Priority:

☐ Check box if employed in Morgan Hill. List employer's address in the space below .  
\_\_\_\_\_

For placement in the "C" Priority:

☐ Check box if non-Morgan Hill resident living in Santa Clara County.

I have read the program's information sheet. I understand that among other things the BMR program is based on income qualifications and that the figures are updated once a year.

It is my responsibility to update the address and/or phone when changes occur. \_\_\_\_\_  
Initial

I understand that applications on the B or C categories will be contacted only if a buyer cannot be identified from the Morgan Hill residents list. The names will be purged on the third anniversary.

Initial

I/we hereby certify, under penalty of perjury, that the information set forth above is true and correct.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature